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INTERGOVERNMENTAL NEGOTIATING COMMITTEE
FOR THE ELABORATION OF AN INTERNATIONAL
CONVENTION TO COMBAT DESERTIFICATION IN
THOSE COUNTRIES EXPERIENCING SERIOUS
DROUGHT AND/OR DESERTIFICATION,
PARTICULARLY IN AFRICA
Fifth session
Paris, 6-17 June 1994
Agenda item 2

ELABORATION OF AN INTERNATIONAL CONVENTION TO COMBAT DESERTIFICATION IN COUNTRIES EXPERIENCING SERIOUS DROUGHT AND/OR DESERTIFICATION, PARTICULARLY IN AFRICA

Working paper on the financial provisions of the Convention

Note by the Secretariat

1. During the fourth session of the Committee, the Chairman of the INCD invited Mr. Pierre Marc Johnson of Canada and Mr. Bolong Sonko of the Gambia to undertake informal consultations among delegations on the provisions of the Convention relating to financial resources and mechanisms. The objective of these consultations was to develop for the fifth session a new negotiating text of these provisions with the understanding that earlier proposals on the same articles would remain on the table. The text addresses in particular Articles 20 and 21 where there are currently no drafting proposals in document A/AC.241/15/Rev.3.

2. The attached working paper shows the results of these consultations in a line-in line-out format. It contains proposals for all Articles in document A/AC.241/15/Rev.3 related to financing except, as agreed in the Bureau, those dealt with in their entirety in document A/AC.241/L.18, "Proposed modifications to the negotiating text relating to categories of countries."

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PROPOSED CHANGES IN DOCUMENT A/AC.241/15/Rev.3
REGARDING FINANCIAL RESOURCES AND MECHANISMS

Preamble

Delete paragraph 18 and add new paragraph immediately after paragraph 13 reading as follows:

"*Reaffirming* in this light the commitments of the International Community, as contained in Paragraph 13 of Chapter 33 of Agenda 21, regarding the accepted United Nations target of 0.7 per cent of Gross National Product for Official Development Assistance,"

Replace paragraph 19 by the following:

"*Recognizing* the importance of the provision to affected developing countries, particularly in Africa, of effective means, inter alia increased financial resources and access to technology, without which it will be difficult for them to fully implement their commitments under this Convention,"

Article 4

Replace paragraph 2 (h) by the following:

"(h) favour the use of existing bilateral and multilateral arrangements that can provide new and additional resources to affected developing country Parties in combatting desertification and mitigating the effects of drought."

Article 9

Replace paragraph 2 with the following:

"2. In providing assistance under the terms of Article 6, priority shall be given to supporting, as mutually agreed, appropriate national, sub-regional and regional action programmes of affected developing country Parties, particularly those in Africa, either directly or through appropriate intergovernmental organizations, or both."

Article 13

Redraft subparagraph b to read as follows:

"(b) elaboration and use of cooperation mechanisms which better enable support at the local level, including through non-governmental organizations, and which ensure the replicability of successful pilot programme activities where relevant;"

Article 20

The proposed text of Article 20 would read as follows:

"*Financial resources*

1. Given the centrality of financing to the achievement of the objective of the Convention, the Parties shall make every effort, consistent with their capabilities, to ensure that adequate financial resources are available for programmes to combat desertification and mitigate the effects of drought. In doing so, they shall emphasize, consistent with Articles 4, 6 and 9, support for the

national, sub-regional and regional action programmes of affected developing country Parties, particularly those of affected African country Parties. In this connection, developed country Parties undertake to facilitate the mobilization of, and provide, adequate, timely and predictable funding in a way that permits the use of all available financial resources, including new and additional resources, as may be mutually agreed, where appropriate grants and concessional loans. Affected developing country Parties undertake to allocate adequate financial resources, including within their national budgets, to the implementation of the Convention.

2. In mobilizing financial resources, the Parties shall seek full use and continued qualitative improvement of all national, bilateral and multilateral funding sources and mechanisms, using consortia, joint programmes and parallel financing, and shall involve private sector funding sources and mechanisms, including those of non-governmental organizations. To this end, the Parties shall fully utilize the operational mechanisms developed pursuant to Article 14.

3. In order to mobilize the important financial resources necessary to combat desertification and mitigate the effects of drought, the Parties shall:

(a) rationalize the management of, and strengthen, resources already allocated for combatting desertification and mitigating the effects of drought by using them more effectively and efficiently, assessing their successes and shortcomings, removing hindrances to their effective use and reorienting programmes in light of the integrated long-term approach adopted pursuant to this Convention;

(b) give due priority and attention within the governing bodies of multilateral institutions, including international and regional financial institutions, to supporting affected developing country Parties, particularly those in Africa, in activities which advance implementation of the Convention, notably action programmes they undertake in the framework of Regional Implementation Annexes; and

(c) explore innovative methods and incentives for mobilizing and channelling financial resources, including those of foundations, non-governmental organizations and other private sector entities, particularly debt swaps and other innovative means which increase financing by reducing the debt burden of affected developing country Parties, particularly those in Africa."

Article 21

The proposed text of Article 21 would read as follows:

"Financial mechanisms

1. The Conference of the Parties shall seek to maximize the availability of funding for affected developing country Parties to implement the Convention. It shall consider inter alia approaches and policies that:

(a) assure funding of necessary global level activities pursuant to Articles 16 to 18 of this Convention;

(b) promote multiple-source funding approaches, mechanisms and arrangements, and their assessment, consistent with Article 4, paragraph 2(h) and with Article 20, paragraph 3(c);

(c) provide interested Parties and relevant intergovernmental and non-governmental organizations information on available sources of funds and on funding patterns in order to facilitate coordination among them;

(d) facilitate the establishment of mechanisms, such as trust funds, including those involving the participation of non-governmental organizations, to channel financial resources rapidly and efficiently to the local level; and

(e) permit the mobilization, through other activities, of various international fund dispensing arrangements and mechanisms at the national, sub-regional and regional levels.

2. The Conference of the Parties shall also encourage the provision, through various mechanisms within the United Nations system, of support at the national, sub-regional and regional levels to activities that enable developing country Parties to meet obligations pursuant to Article 14 and that allow implementation of paragraph 1."

3. In order to implement these approaches and policies, the Conference of the Parties shall, in cooperation with relevant intergovernmental organizations and other international institutions, assure the availability of mechanisms providing resources for activities described in paragraph 1. Such mechanisms shall include a fund or facility functioning under the authority and guidance of the Conference of the Parties, and accountable to it, to be established by the Conference of the Parties at the latest by its second regular session. This facility shall be funded as necessary through voluntary contributions and undertake activities listed in paragraph 1 which the Conference of Parties deems not to be effectively carried out by other mechanisms.

4. The Conference of the Parties shall set and review at least every two years the policies, operational modalities and programmes of the facility accountable to it pursuant to paragraph 3, taking into account the provisions of Article 7. On the basis of this review, it shall take appropriate action to improve the effectiveness of the facility."

5. Affected developing country Parties shall establish and/or strengthen national coordinating mechanisms, integrated in national development programmes, that would ensure the efficient use of all available financial resources. They shall also utilize participatory processes, involving non-governmental organizations, local groups and the private sector, in raising funds, in elaborating as well as implementing programmes and in assuring access to funding by groups at the local level.

6. To improve the flow of funds needed to implement the Convention, the Conference of the Parties shall maintain an inventory of available sources and uses of funds and assess their adequacy in relation to implementation requirements.

Article 22

Recast paragraph 2, subparagraph g to read:

"(g) approve a programme and budget for its activities, including those of its subsidiary bodies and facilities, and make arrangements for their financing from assessed contributions, voluntary contributions or the regular budgets of the United Nations and its specialized agencies;"